CERTIFIED MAIL
RETURN RECEIPT REQUESTED

SE-5J/OPRS-SPCC
W33601

Mr. Dennis Egan
Egan Marine Corporation/
Service Welding & ShipBuilding
NE Canal Bank Road
Lemont, Illinois 60439

Dear Mr. Egan:

After review of your Spill Prevention, Control and Countermeasure (SPCC) Plan (certified by Sigitas P. Vazneus, P.E., dated January 29, 1996), it has been determined that the SPCC Plan does not meet the minimum requirements of the Code of Federal Regulations (CFR), Title 40, Part 112 at this time. The deficiencies of your facility's plan are listed in the attachments to this letter.

Pursuant to Section 311(b) of the Clean Water Act, as amended by the Oil Pollution Act of 1990, 33 U.S.C. § 1321(b), violations of the SPCC regulations, contained at 40 C.F.R. Part 112, subject owners and operators of a facility to administrative civil penalties of up to $11,000 per day (up to a maximum of $127,500) or judicial civil penalties of up to $27,500 per day.

Egan Marine Corporation/Service Welding & Shipbuilding should take prompt action to correct the violations and come into compliance with the SPCC regulations, if it has not already done so. To determine your present status of compliance with the SPCC regulations, U.S. EPA requests, pursuant to Sections 311(m) and 308(a) of the Clean Water Act, 33 U.S.C. §§ 1321(m) and 1318(a), that you provide the documents which can be found in Attachment A (which specifies information the facility must submit for each violation) within thirty (30) calendar days from the date of receipt of this letter.

These materials should be sent to:

U.S. Environmental Protection Agency
Region 5
Emergency and Enforcement Response Branch
Oil Planning and Response Section (SE-5J)
77 West Jackson Boulevard
Chicago, Illinois 60604-3590
Attn: Martin D. Preiss
SPCC Inspector

All materials submitted must be accompanied by a certification that all materials and all statements submitted by your facility are true and accurate to the best of the signatory's knowledge and belief. This certification must

be notarized and signed by an authorized official of your facility. The SPCC plan and all subsequent amendments must be reviewed and certified by a registered Professional Engineer who is familiar with the facility and with 40 C.F.R. Part 112. The engineer's name, registration number, State of registration, date of certification and seal must be included as part of the Plan.

This Request for Information is not subject to the approval requirements of the Paperwork Reduction Act of 1980, 44 U.S.C. Part 35. The U.S. EPA has the authority to use the information requested herein in an administrative, civil or criminal action.

If U.S. EPA does not receive an adequate and timely response from your facility, it will be required to review its enforcement options. If you have any questions, please feel free to contact Martin D. Preiss, at (312) 886-0820.

Sincerely,

Beverly J. Kush, Chief
Oil Planning & Response Section

Attachments (Attachment A)

cc: Illinois Environmental Protection Agency

bcc: yellow (official case file)
blue (SPCC read) Mjv.ltr/mdadamo/6-5905/10-19-99/zip disk/egan

ATTACHMENT A

SPECIFIC INFORMATION WHICH FACILITY MUST SUBMIT FOR EACH VIOLATION IDENTIFIED IN ATTACHMENT A

For Inadequate SPCC Plan: An adequate SPCC Plan, certified by a Registered Professional Engineer, approved by management at a level with authority to commit the necessary resources, and photographic evidence that your SPCC Plan has been fully implemented along with a statement from an authorized representative of your facility identifying and authenticating the photographs and certifying the date on which the facility fully implemented its SPCC Plan. If your facility is unable to provide an adequate SPCC Plan within the required time period, then your facility should submit, within thirty days of receipt of this letter, a detailed schedule which indicates when the facility's SPCC Plan will be complete and when implementation will occur. Within the timeframe set forth in that schedule, your facility will then submit the above-requested information. Please respond to/address the specific deficiencies listed below:

40 CFR 112.7 - Guidelines for the preparation and implementation of a Spill Prevention Control and Countermeasure Plan

(e)(2) Failure to provide complete discussions and/or implement requirements pertaining to Bulk Storage Tanks

(i) Tank material/construction is not compatible with fluid stored.

Not stated in Plan in detail.

(ii) Failure to provide secondary containment for the largest single tank plus an allowance for precipitation.

Not stated in Plan.

Dike walls and floor are not "sufficiently impervious".

Not stated in Plan.

(iv) Failure to either wrap or coat new buried metallic storage tanks to reduce corrosion (or other effective method compatible with local soil conditions);

Not stated in Plan.

Failure to pressure test buried metallic storage tanks on a regularly scheduled basis.

Not stated in Plan.

(v) Failure to adequately coat the buried section of a partially buried metallic tank.

Not stated in Plan.

(vii) Failure to control internal heating coil leakage by:

Not stated in Plan.

(A) Monitoring the stream return or exhaust lines for oil or passing the steam lines through a separation system.
(B) Installing external heating system.

(viii) Failure to implement fail-safe engineering techniques on the tanks with one of the following:

Not stated in Plan in Detail.

(A) High liquid level alarms with an audible or visual signal;
(B) High liquid level pump cutoff devices;
(C) Direct audible or code signal between the tank gauger and pumping station;
(D) A fast response system to detect oil level such as digital computers;
(E) Sensing devices should be inspected/tested periodically.

(e)(3) Failure to provide complete discussions and/or implement requirements pertaining to Facility Transfer Operations.

(i) Failure to wrap/coat buried pipelines to reduce corrosion.

Not stated in Plan.

(ii) Failure to cap or blank flange the terminal connection at the transfer point of a pipeline when not in service or on standby for an extended time.

Not stated in Plan.

(iii) Failure to provide pipe supports which are designed to minimize abrasion and corrosion and allow for expansion and contraction.

Not stated in Plan.

(iv) Failure to regularly assess all aboveground valves and pipelines by operating personnel.

Not stated in Plan.

Failure to conduct periodic pressure testing for piping in areas where facility drainage is such that a failure may lead to a spill event.

**Not stated in Plan*.*

(v) Failure to warn large vehicles verbally or by appropriate signs to be cautious of aboveground piping.

(e) (4) Failure to provide complete discussions and/or implement requirements pertaining to Facility Tank Truck Loading/Unloading Rack.

(i) Failure to meet the minimum requirements and regulation established by the Department of Transportation regarding tank car and tank truck loading and unloading procedures.

Not stated in Plan.

(ii) Failure to provide a quick drainage system with a containment volume greater than the largest compartment of any tank car or truck where drainage does not flow into a catchment basin or a treatment facility.

Not stated in Plan.

(iii) Failure to provide an interlocked warning light or physical barrier system or warning signs in loading/unloading areas to prevent vehicular departure before complete disconnect of flexible or fixed transfer lines.

Not stated in Plan.

(iv) Failure to inspect drains and outlets on tank cars and tank trucks for leakage prior to filling and departure.

Not stated in Plan in Detail.

(e) (8) Failure to include written procedures for required inspection and records of same inspections in the SPCC Plan for a period of three years.

Please include at least six (6) completed inspection records in the SPCC plan.

(e) (9) Security (excluding oil production facilities)

(ii) Failure to securely lock master flow and drain valves in the closed position or any other valves that will permit direct outward flow of

the tanks contents to the surface when in non-operating or non-standby status.

Not stated in Plan.

(iii) Failure to lock in the off position or make accessible only to authorized personnel starter controls on all oil pumps in a non-operating or non-standby status.

Not stated in Plan.

(iv) Failure to securely cap or blank-flange loading/unloading connections of oil pipelines when not in service or on standby status for an extended time period.

Not stated in Plan.

(v) Failure to provide facility lighting which is appropriate with the type and location of the facility and is adequate to discover spills and to prevent acts of vandalism.

Not stated in Plan.

(e)(10) Personnel, training and spill prevention procedures.

(i) Failure to properly instruct personnel in the operation and maintenance of equipment used to prevent oil discharges and in the pollution control laws, rules and regulations.

Not stated in Plan in Detail.

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Mr. Dennis Egan
Egan Marine Corp/Service Welding & Ship Building
P.O. Box 669
Lemont, Illinois 60439

Dear Mr. Egan:

After review of your Spill Prevention, Control and Countermeasure (SPCC) Plan (certified by Signitas P. Vaznelis, P.E., dated December 15, 2000), it has been determined that your SPCC Plan does not meet the minimum requirements of Title 40, Part 112 of the Code of Federal Regulations ("40 C.F.R. Part 112") at this time. The deficiencies of your facility's plan are listed in the Attachment A to this letter.

Pursuant to Section 311(b) of the Clean Water Act, as amended by the Oil Pollution Act of 1990, 33 U.S.C. § 1321(b), violations of the SPCC regulation, contained at 40 C.F.R. Part 112, subject owners and operators of a facility to administrative civil penalties of up to $11,000 per day (up to a maximum of $137,500) or judicial civil penalties of up to $27,500 per day.

Egan Marine Corp/Service Welding & Ship Building must take prompt action to correct the violations and come into compliance with the SPCC regulation. U.S. EPA requests, pursuant to Sections 311(m) and 308(a) of the Clean Water Act, 33 U.S.C. §§ 1321(m) and 1318(a), that you provide responses to Attachment A **within thirty (30) calendar days** from the date of receipt of this letter.

These materials must be sent to:

U.S. Environmental Protection Agency
Emergency Response Branch (SE-5J)
77 West Jackson Boulevard
Chicago, Illinois 60604-3590
Attn: Anita Boseman, On-Scene Coordinator

All materials submitted must be accompanied by a certification that all materials and all statements submitted by your facility are true and accurate to the best of the signatory's knowledge and belief. This certification must be notarized and signed by an authorized official of your facility. The SPCC plan and all subsequent amendments must be reviewed and certified by a

registered Professional Engineer who is familiar with the facility and with 40 C.F.R. Part 112. The engineer's name, registration number, State of registration, date of certification and seal must be included as part of the Plan.

This Request for Information is not subject to the approval requirements of the Paperwork Reduction Act of 1980, 44 U.S.C. Part 35. The U.S. EPA has the authority to use the information requested herein in an administrative, civil or criminal action.

If U.S. EPA does not receive an adequate and timely response from your facility, it will be required to review its enforcement options. If you have any questions, please feel free to contact Ms. Anita Boseman, On-Scene Coordinator at (312) 886-6941.

Sincerely,

Beverly J. Kush, Chief
Oil Planning & Response Section

Attachments: (Attachment A)

cc: Illinois Environmental Protection Agency

bcc: yellow (official case file)
blue (SPCC read)
mdadamo/6-5905/6-6-01/zip disk/egan-2

ATTACHMENT A

VIOLATIONS OF THE SPCC REGULATIONS FOUND DURING INSPECTION

40 C.F.R. 112.7 - Guidelines for the preparation and implementation of a Spill Prevention, Control and Countermeasure Plan

(e)(2) **Failure to provide complete discussions and/or implement requirements pertaining to Bulk Storage Tanks**

(ii) Failure to provide secondary containment for the largest single tank plus an allowance for precipitation.

Secondary containment is required for all empty tanks unless empty tanks have been properly decommissioned.

(viii) Failure to implement fail-safe engineering techniques on the tanks with one of the following:

(A) High liquid level alarms with an audible or visual signal;
(B) High liquid level pump cutoff devices;
(C) Direct audible or code signal between the tank gauger and pumping station;

Some means of detecting level must be used even it if is only the method identified in ___.

(e)(4) **Failure to provide complete discussions and/or implement requirements pertaining to Facility Tank Truck Loading/ Unloading Rack.**

(i) Failure to meet the minimum requirements and regulation established by the Department of Transportation regarding tank car and tank truck loading and unloading procedures.

Please make statement of compliance in Plan.

(ii) Failure to provide a quick drainage system with a containment volume greater than the largest compartment of any tank car or truck where drainage does not flow into a catchment basin or a treatment facility.

Please identify the catchment volumes and tank truck compartment volume for each loading rack ___.

(e)(9) **Security (excluding oil production facilities)**

(i) Failure to securely lock master flow and drain valves in the closed position or any other valves that will permit direct outward flow of the tanks contents to the surface when in non-operating or non-standby status.

Drain valves must be locked when facility is not in operation.

IN ADDITION:

During site isnpections, many portable tanks were stored in the "Western Peninsula" and need to be addressed in the Plan. The inventory, locations, secondary containment, etc. needs to be covered.